

**City of
Chula Vista**

Fiscal Year 2023

**Proposed Budget
Overview**

**Presented
April 20 & 27, 2022**



Agenda

- Fiscal Year 2023 Proposed Budget
 - All Funds Summary
 - General Fund Summary
 - Measure A Sales Tax Fund Summary
 - Measure P Sales Tax Fund Summary
- Fiscal Year 2023 Capital Improvement Program
- Next Steps



Fiscal Year 2023 Budgetary Notes

- Staff continues to monitor the impacts on revenues and expenditures from the COVID-19 pandemic.
- Staff is also monitoring impacts of inflation on costs of labor, and supplies and services; and rate increases on costs of utilities.
- *American Rescue Plan Act (ARPA)*: Second year of federal funding for responding to the COVID-19 and economic crises



American Rescue Plan Act

The City of Chula Vista has been allocated \$57.5 million of federal relief funds under the American Rescue Plan Act (**ARPA**) to be allocated by December 31, 2024 and spent by December 31, 2026.

Eligible expenditure examples:

- Responding to COVID-19 and its negative economic impacts, including aid to households, small businesses and affected industries
- Premium pay for eligible essential workers
- Investments in water, sewer or broadband infrastructure
- Providing general government services



American Rescue Plan Act

Examples of Funded Projects:

- COVID-19 testing and vaccinations
- *Create CV* public arts grants with CV Library
- Rehabilitation of the former YMCA building
- Small business grants
- Curb/sidewalk café assistance
- Jacob and Cushman Food Bank support
- Homeless supportive services

Visit our website for a list of projects and reports:

<https://www.chulavistaca.gov/departments/american-rescue-plan-act-of-2021>



All Funds Summary

All Funds Revenues and Expenditures Summary (in millions)

	FY2022		FY2023		
Category	Adopted		Proposed		Change
Revenues	\$	462.8	\$	553.4	\$ (90.6)
Expenditures		472.9		535.7	62.8
Surplus/(Deficit)	\$	(10.1)	\$	17.7	\$ (27.8)
Other Funds - PY Fund Balance	\$	10.1	\$	(17.7)	\$ (7.6)

Figures presented are preliminary and subject to change



All Funds Budget Highlights

- Second year of funding for the Ambulance Transport System (in-house, Fire Department operated)
- Repairs and improvements to various public facilities
- Repairs and improvements to sidewalks and other infrastructure
- Increased tree trimming services
- Increased library funding for books and materials
- Increased parks budget for additional programming



All Funds Revenues

(in thousands)

All Funds Revenues by Category

Category	FY2022 Adopted	FY2023 Proposed	Change
Property Taxes	\$ 69,287	\$ 72,730	\$ 3,443
Licenses and Permits	5,675	5,771	96
Fines, Forfeitures & Penalties	1,658	1,600	(59)
Use of Money and Property	5,176	5,290	114
Other Local Taxes	112,920	125,851	12,931
Other Agency Revenue	29,154	58,081	28,927
Charges for Services	86,922	88,283	1,361
Other Revenues	47,759	49,980	2,221
Transfers From Other Funds	104,298	145,817	41,519
Total All Funds Revenues	\$ 462,849	\$ 553,404	\$ 90,555

Figures presented are preliminary and subject to change



All Funds Expenditures

(in thousands)

All Funds Expenditures by Category

Category	FY2022 Adopted	FY2023 Proposed	Change
Personnel Services	\$ 131,871	\$ 141,393	\$ 9,522
Salary Savings	(1,999)	(3,320)	(1,321)
PERS	16,535	16,547	12
Health Insurance	18,405	19,429	1,024
Personnel total	\$ 164,813	\$ 174,050	\$ 9,237
Supplies and Services	72,801	78,911	6,109
Other Expenses	58,028	57,955	(73)
Internal Service Charges	3,844	4,602	759
Capital	8,844	6,140	(2,704)
Transfers Out	104,298	145,817	41,519
Utilities	8,872	10,296	1,424
Non-CIP Project Expenditures	2,213	5,285	3,072
CIP Project Expenditures	49,221	52,631	3,410
Total All Funds Budget	\$ 472,932	\$ 535,686	\$ 62,753

Figures presented are preliminary and subject to change



All Funds by Fund Category Revenue and Expenditures

(in thousands)

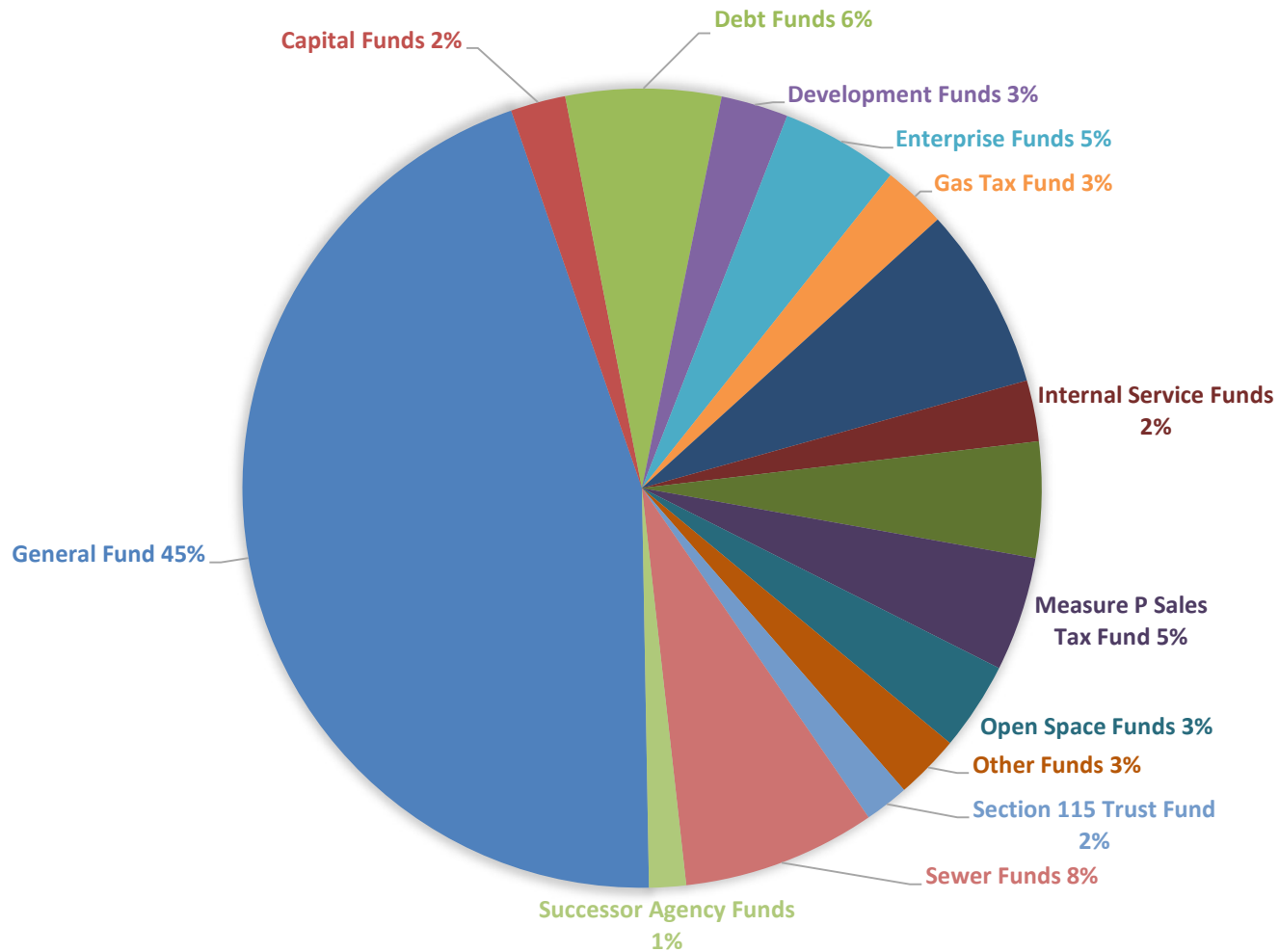
All Funds by Fund Category

Category	Revenues	Expenses	Net Impact
General Fund	\$ 248,882	\$ 248,882	\$ -
Capital Funds	12,290	12,178	(112)
Debt Funds	34,744	34,730	(14)
Development Funds	15,018	8,525	(6,492)
Enterprise Funds	26,408	28,290	1,882
Gas Tax Fund	14,264	14,701	438
Grant Funds	40,922	43,128	2,206
Internal Service Funds	13,668	13,489	(179)
Measure A Sales Tax Fund	25,938	19,342	(6,596)
Measure P Sales Tax Fund	25,589	24,655	(934)
Open Space Funds	19,790	19,225	(565)
Other Funds	14,429	19,214	4,785
Section 115 Trust Fund	9,930	-	(9,930)
Sewer Funds	43,297	41,010	(2,287)
Successor Agency Funds	8,236	8,317	81
Total All Funds	\$ 553,404	\$ 535,686	\$ (17,717)

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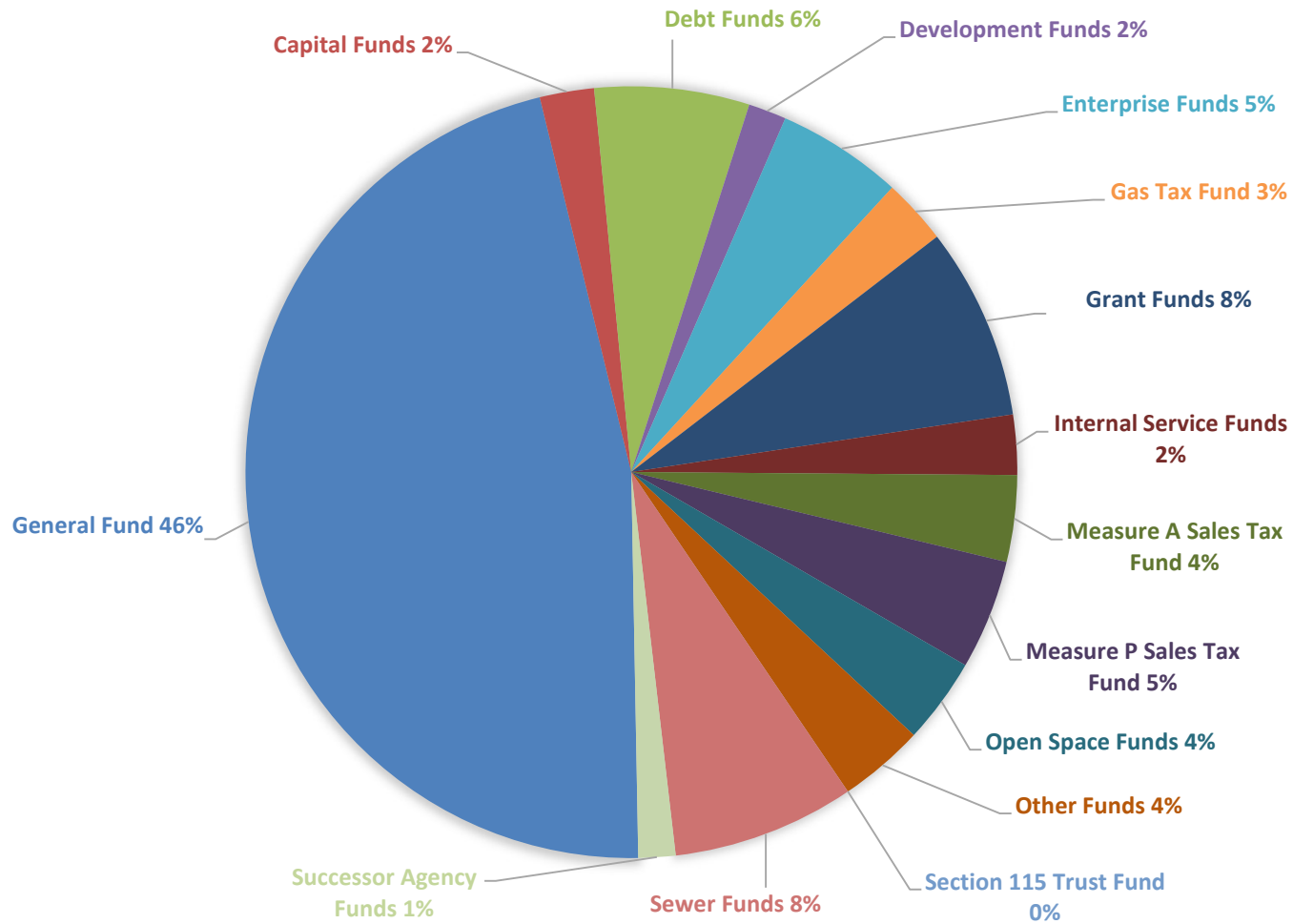
All Funds Revenue Graph

Revenues by Fund Type



All Funds Expenditure Graph

Expenditures by Fund Type





All Funds Staffing Summary

43.5 FTEs Added FY 2022 Mid Year
(4.0) FTE Net Reduction FY 2023 Positions

Staffing by Fund	FY 2022 Adopted	FY 2023 Proposed	Change
General Fund	850.25	867.75	17.50
Federal Grants Fund	46.00	42.00	-4.00
Advanced Life Support Fund	4.00	4.00	0.00
Transportation Fund	52.00	63.00	11.00
Central Garage Fund / Fleet Maintenance	10.00	11.00	1.00
City Jail Fund	15.00	15.00	0.00
CV Housing Authority	4.00	7.00	3.00
Development Services Fund	62.00	64.00	2.00
Environmental Services	8.00	8.00	0.00
Gas Tax Fund	2.00	2.00	0.00
Measure A Sales Tax Fund	86.00	95.00	9.00
Sewer	48.00	48.00	0.00
Total Citywide	1187.25	1226.75	39.5

FTE – Full Time Equivalent positions

Figures presented are preliminary and subject to change



General Fund Summary

General Fund Revenues and Expenditures Summary (in millions)

Category	FY2022		FY2023		Change
	Adopted		Proposed		
Revenues	\$	218.1	\$	248.9	\$ (30.8)
Expenditures		218.1		248.9	30.8
Surplus/(Deficit)	\$	-	\$	-	\$ -

Figures presented are preliminary and subject to change



General Fund Revenues

(in thousands)

General Fund Revenues by Category

Category	FY2022 Adopted	FY2023 Proposed	Change
Major Revenues			
Property Taxes	\$ 39,434	\$ 40,877	\$ 1,443
Sales Tax	39,717	43,560	3,843
Sales Tax - Measure P	23,042	25,887	2,845
Sales Tax - Measure A	23,042	25,905	2,863
Franchise Fees	12,901	14,517	1,616
Utility Users Taxes	3,800	3,819	19
Transient Occupancy Taxes	4,942	5,210	268
Motor Vehicle License Fees	24,886	26,886	2,000
Major Revenues Total	171,764	186,661	14,897
Other General Fund Revenues	46,300	62,221	15,921
Total General Fund Revenues	218,065	248,882	30,817

Figures presented are preliminary and subject to change



General Fund Revenue Assumptions

- Major Revenue assumptions
 - Major revenues projected to increase by \$14.9 million or 14.1% over FY 2022 Adopted Budget
 - Primary drivers include:
 - \$5.7 million added for Measure A and Measure P revenues
 - \$3.8 million increase for Sales Tax revenues
 - \$3.4 million increase for both Property Tax and Motor Vehicle License Fees
 - \$1.6 million increase for Franchise Fees revenues
- Various revenue growth rates were applied to other major revenues accounts based on economic trends, known rate increases and other factors.



General Fund Revenue Assumptions (cont.)

- Other Revenues assumptions
 - \$0.3 million increase for Other Local Taxes
 - \$0.2 for Business License Tax and \$.05 million for Real Property Transfer Tax.
 - \$1.9 million increase in Other Revenues
 - \$0.3 million increase in Charges for Services
 - \$13.1 million increase in Transfers In



General Fund Expenditures

(in thousands)

General Fund Expenditures by Category

Category	FY2022 Adopted	FY2023 Proposed	Change
Personnel Services	\$ 97,242	\$ 102,556	\$ 5,314
Salary Savings	(1,816)	(3,104)	(1,288)
PERS	12,797	12,573	(225)
Health Insurance	13,324	14,211	887
Personnel total	\$ 121,547	\$ 126,235	\$ 4,688
Supplies and Services	15,425	18,577	3,152
Other Expenses	1,584	1,787	202
Internal Service Charges	3,187	3,767	580
Capital	168	168	-
Transfers Out	71,250	89,828	18,578
Utilities	4,903	6,060	1,156
Non-CIP Project Expenditures	-	2,460	2,460
Total General Fund Budget	\$ 218,065	\$ 248,882	\$ 30,817

Figures presented are preliminary and subject to change



General Fund Expenditure Assumptions

- **Personnel Services** assumptions
 - Personnel expenditures increase of \$4.7 million
 - \$5.3 million Personnel Increase
 - \$1.3 million increase of Salary Savings target
 - \$0.9 million increase for Flex/Insurance
 - \$0.2 million decrease for Pension costs



General Fund Expenditure Assumptions (cont.)

- **Supplies & Services** assumptions (\$3.2 million)
 - Insurance increase of \$1.2 million
 - Contract Services increase of \$1.8 million
 - Computer hardware & software increase of \$0.2 million
- **Utilities** assumptions (\$1.2 million)
 - Gas and Electric increased by \$1.0 million
 - Water increased by \$0.2 million



General Fund Expenditure Assumptions (cont.)

- **Transfers Out (\$18.6 million)**
 - General Fund support for Loma Verde Community Center of \$8 million
 - Measure A Sales Tax revenue transfer increase of \$2.7 million to the Measure A Fund
 - Measure P Sales Tax revenue transfer increase of \$2.8 million to the Measure P Fund



Measure A Revenues and Expenditures

(in thousands)

Category	FY2022 Adopted	FY2023 Proposed	Change
EXPENSES			
Personnel Services	\$ 14,286	\$ 14,628	\$ 342
Supplies and Services	1,129	1,608	479
Other Expenses	854	960	106
Capital	165	-	(165)
Internal Service	69	141	71
Utilities	3	5	2
Transfers Out	2,011	2,000	(11)
TOTAL EXPENSES	18,518	19,342	824
REVENUES			
Revenues from Other Agencies	(250)	(250)	-
Transfers In	(22,944)	(25,688)	(2,744)
TOTAL REVENUES	(23,194)	(25,938)	(2,744)
Total Measure A Funds	\$ (4,676)	\$ (6,596)	\$ (1,920)

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Measure P Revenues and Expenditures

(in thousands)

Category	FY2022 Adopted	FY2023 Proposed	Change
EXPENSES			
Supplies and Services	\$ 295	\$ 601	\$ 306
Capital	5,274	3,073	(2,201)
Other Expenses	9,428	1,295	(8,133)
Non-CIP Project Expenses	100	100	-
CIP Project Expenses	27,453	11,760	(15,693)
Transfers Out	-	7,827	7,827
TOTAL EXPENSES	42,550	24,655	(17,894)
REVENUES			
Transfers In	(22,777)	(25,589)	(2,812)
TOTAL REVENUES	(22,777)	(25,589)	(2,812)
Total Measure P Funds	\$ 19,773	\$ (934)	\$ (20,706)

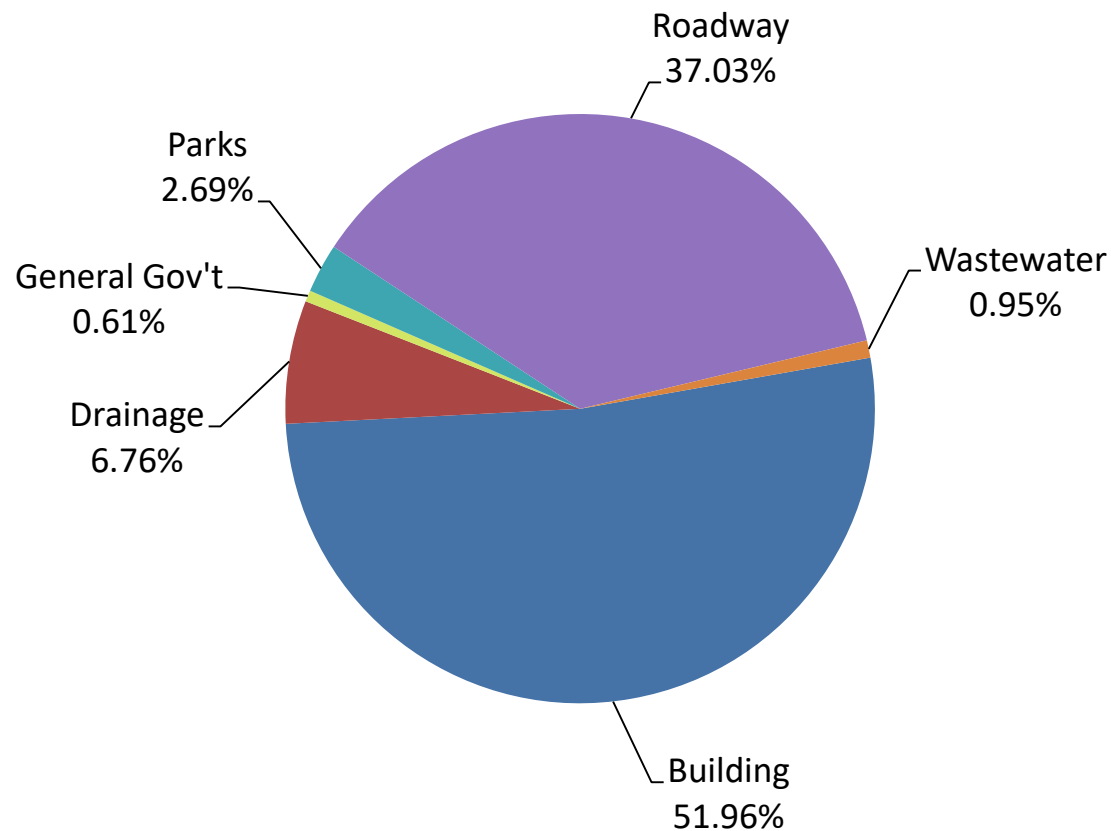
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CAPITAL IMPROVEMENT PROGRAM SUMMARY



Capital Improvement Program \$50.5M

by Asset Management System

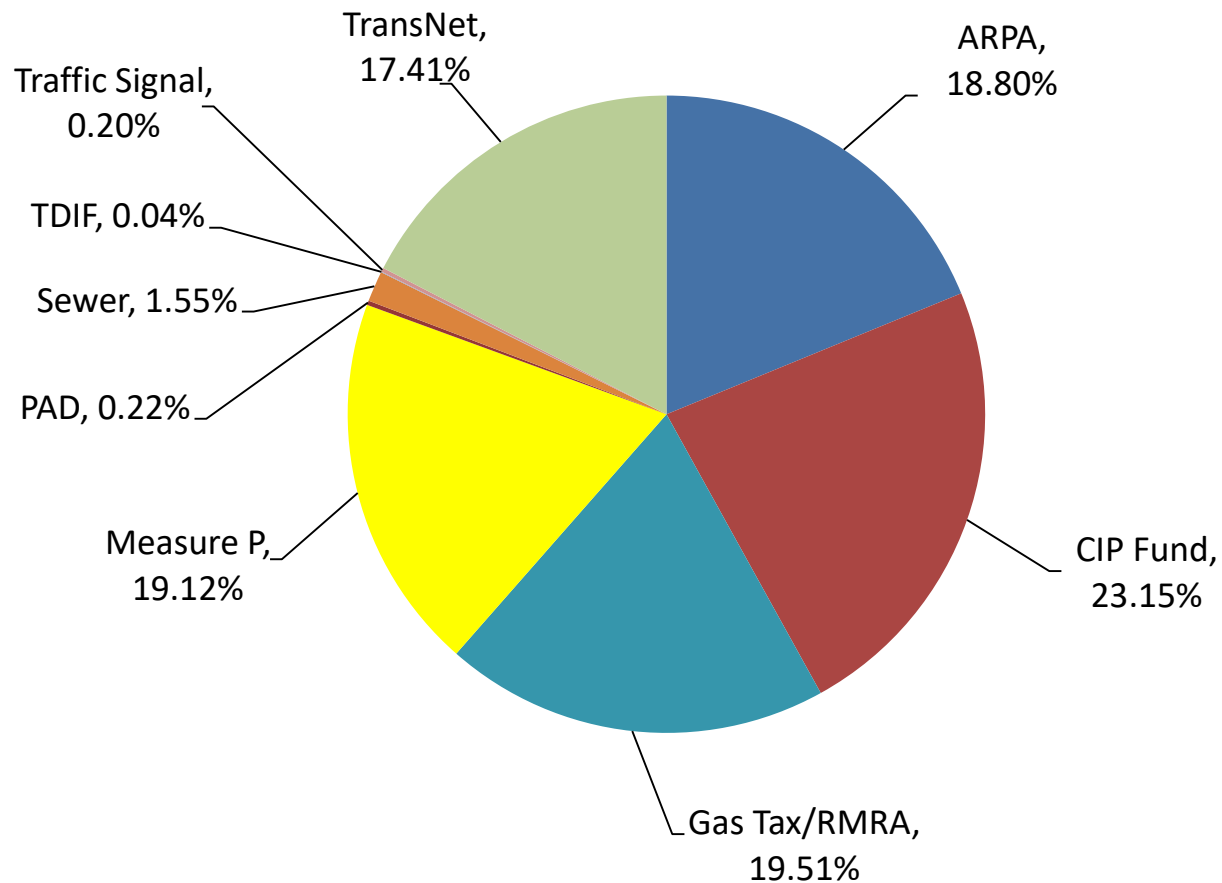




Capital Improvement Program

\$50.5M

by Funding Source





Major Projects
Roadway
\$18.7M

- Street Pavement & Rehab (\$14.9M)
 - Resurfacing
 - Pavement Overlays
 - Slurry Seals



Major Projects
Roadway
\$18.7M

- Traffic Signal Projects (\$3.8M)
 - Upgrades
 - Modifications
 - Pedestrian Improvements



Major Projects Building - \$26.3M

- Loma Verde Rec Center (\$14.1M)
 - Competition Pool
 - Therapy Pool
 - Pool Deck
 - Splashpad
 - Classrooms
 - Playground
 - Sports Lighting



Major Projects Building - \$26.3M

- Police Facility (\$9.7M)
- Public Buildings (\$1.9M)
- Recreation Centers (\$1.2M)



Major Projects Drainage \$3.4M

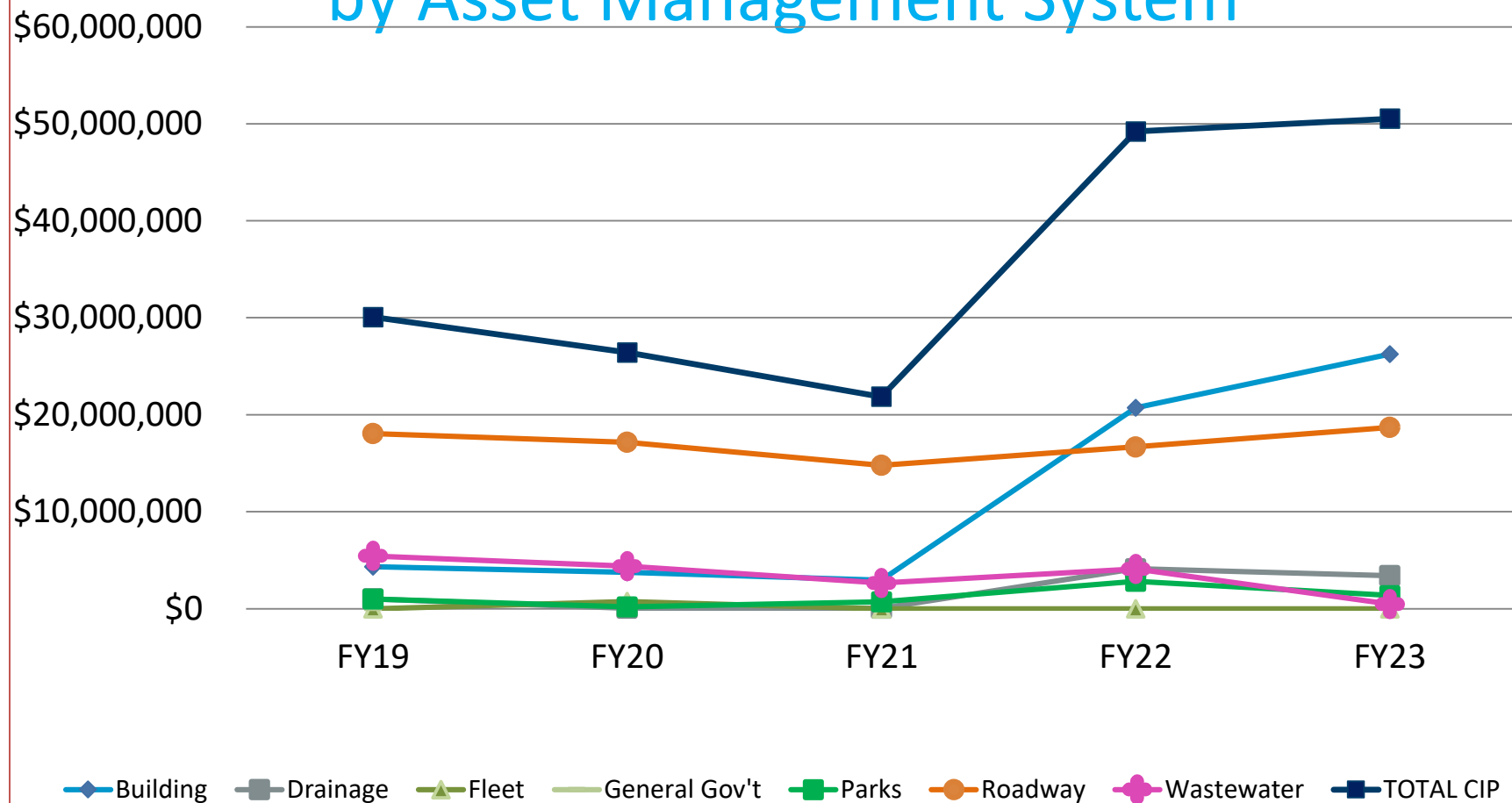
- Telegraph Canyon Channel (\$2.95M)
 - Hilltop Park to Third Ave & L St
 - Complete in 2 Phases
- Storm Drain Rehab (\$454K)
 - Outside of Right-of-Way





Capital Improvement Program 5-Year Period

by Asset Management System





Next Steps

- **April 20 & 27th** – Hold workshops to provide the public an overview of FY23 Proposed Budget
- **May 10th** – Present City Manager's FY 2022-23 Proposed Budget and CIP Overview to the City Council
- **May 24th** – City Council Public Hearing and Adoption of FY 2022-23 Proposed Budget
- Additional comments can be submitted on City's website (www.chulavistaca.gov)

Questions?